DOCUMENT RESUME

ED 085 000 HE 004 893

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|---|---|
| TITLE | How to Develop and Administer a Corporate Gift-Matching Program. |
| INSTITUTION | Council for Financial Aid to Education, New York, N.Y. |
| PUB DATE | [73] |
| NOTE | 24p. |
| AVAILABLE FROM | Council for Financial Aid to Education, 680 Fifth Avenue, New York, N.Y. 10019 ($2.00) |
| EDRS PRICE | MF-$0.65 HC-$3.29 |
| DESCRIPTORS | *Educational Economics; *Educational Finance; *Financial Support; *Higher Education; Nonpublic School Aid; *Private Financial Support; Program Descriptions |

ABSTRACT

The development and administration of a corporate gift-matching program designed to support American higher education is discussed. Emphasis is placed on the importance of alumni support to colleges and universities, gift-matching programs and policies, the mechanics of gift-matching, and questions and answers about gift-matching. The appendix includes sample gift-matching forms, a rule of thumb for estimating the initial cost of a new matching plan, and references. (MJM)

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# HOW TO DEVELOP AND ADMINISTER A CORPORATE GIFT-MATCHING PROGRAM

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# HOW TO DEVELOP AND ADMINISTER A CORPORATE GIFT-MATCHING PROGRAM

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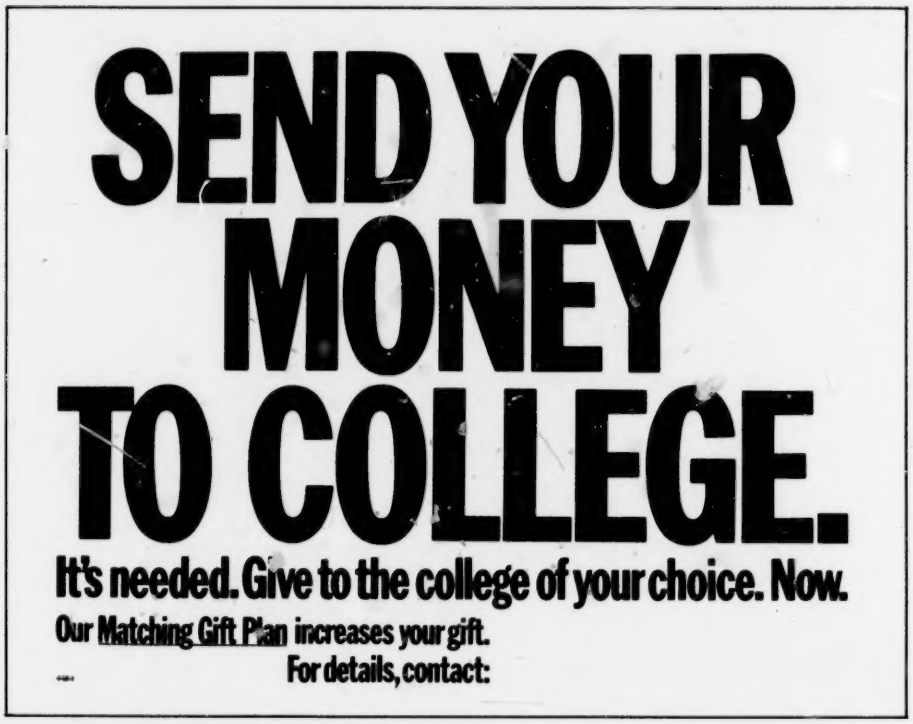
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For details, contact:

This striking poster, developed by CFAE, has been displayed on office and plant bulletin boards by many gift-matching companies interested in increasing employee participation in their program. Interested companies with gift-matching plans may obtain reasonable quantities of the poster from CFAE without charge.

# I. The Importance of Alumni Support to Colleges and Universities

Alumni support is one of the most important factors in the financing of American higher education. The Council for Financial Aid to Education's recent publication, *Voluntary Support of Education, 1971-72,* reveals that almost twenty-five percent of all voluntary support came from alumni. The amount reported by 1,093 participating academic institutions ($392,460,000) is equal, approximately, to the endowment income from $8 billion and explains why alumni contributions are often referred to as "endowment in the hands of the alumni". (The generic term "alumni", which is used throughout this booklet for the sake of convenience and brevity, should be understood to include alumnae, who are also staunch supporters of their colleges and universities, and participating in increasing numbers in matching-gift and other alumnae programs.)

There is cause for reflection, however, as one reviews the statistics relative to the effectiveness of annual alumni fund solicitation. Over a period of seven years, 1965-66 to 1971-72, alumni participation annually has dropped from a high of 20.2% to a low of 17.1%, despite an increase in dollar support.

The usually unrestricted funds contributed through more than five hundred gift-matching programs, about $10 million annually, are significant in support of American higher education. Naturally, those institutions benefit most whose success in inspiring alumni support is greatest. The fact is, however, that gift matching *per se* is not a substitute for, but an adjunct of, a successful alumni fund solicitation program. The original concept of gift matching as a "corporate alumnus" program was intended to stimulate the colleges to implement a more active and rewarding fund-raising effort, as well as to stimulate the alumni to greater participation and support.

Alumni of American colleges and universities must accept a major responsibility for the survival of the dual system of education. For the private institutions, alumni support may in the long run provide the margin which means survival or extinction. For the public institutions it is, even now, referred to as the margin of excellence.

This is one important reason why the Council for Financial Aid to Education (CFAE) encourages each citizen, corporate or individual, voluntarily to support higher education, using the slogan, "Give to the college of your choice. Now."

## II. Gift-Matching Programs and Policies

Since its initiation by the General Electric Foundation in 1955, the matching of employee gifts to educational institutions and, in some instances, to organizations soliciting in their behalf, has continued to grow in popularity among corporate donors. Today, over 500 corporate educational support programs include this type of generally unrestricted support. Some match to college level institutions only. Others include secondary schools and/or organizations such as the United Negro College Fund, libraries, museums, hospitals, and others representing a special interest on the part of the matching agency.

In February of 1972, the Council for Financial Aid to Education (CFAE) published a Research Report entitled *Survey Data on Employee Matching-Gift Programs*. This was primarily a quantitive examination of participation in such programs by those eligible, a report on the total dollars generated for education, and the relation of gift-matching programs to the overall corporate educational support program.

This study revealed that while participation among some 4.5 million eligible individuals nationally is only about two percent, they give, as has been noted, over $10 million annually. Over $9 million of this is matched by employers. The average gift matched is about $120.

It was further revealed that few companies rely to an excessive degree on this type of aid to discharge their commitment to the support of education. In fact, an employee gift-matching program is frequently utilized as the first element in a developing program of educational support; with the passage of time and the addition of other types of support to a company's program, the relative importance of matching gifts declines.

Some have expressed disappointment at the rel ively low participation of those eligible, although the dollars generated are recognized and appreciated. In May of 1960, at a conference on matching-gift programs in New York City, Kenneth G. Patrick, (under whose direction as Secretary of the General Electric Foundation, the Corporate Alumnus (Gift Matching) Program was first developed, and who subsequently became a vice president of the Council for Financial Aid to Education), made the following statement relative to participation:

"Once a company has adopted a matching plan and is willing to stand behind it, the initiative passes squarely to the individual, and – of course – to the college which claims him. There is a certain elementary and fascinating justice in this characteristic, and not all of the colleges like it. Without doubt, such a plan can expose the weaknesses of a donee institution, because failure with a matching plan is first of all failure to obtain alumni support on a *non*-matching basis, and this has a direct bearing on whether a college merits business support at all."

### What gift-matching is

Many business organizations which are persuaded that gift matching is a viable approach to support of education are concerned about working out the details. Such details, of course, may vary from company to company, and be affected by size, the number of eligible employees, internal organization, and resources. It is the purpose of this report to raise some of the questions which must be answered, and, to the extent possible, suggest some of the answers.

Basically, gift matching is a process through which an eligible employee makes an eligible gift to an eligible institution, to qualify for matching by his employer. The gift must then be reported to the matching employer, eligibility on all counts verified, and a matching check dispatched to the institution.

### Whose gifts — and what kind — should be matched?

Eligibility is a primary requirement from the point of view of the matching donor. Who qualifies individually for participation? Is the type of gift to be restricted (cash, stock, real property, etc.)? Are gifts to be restricted to college level institutions only, or will secondary schools, and/or other specified organizations be included?

Employee eligibility is usually determined on the basis of the company's definition of an employee in relation to benefit programs. Often such eligibility requires a year of service, sometimes less. Some programs restrict eligibility to degree holders. Others include spouses, Directors of the company, and a few include retired employees. Actually, a liberal approach to individual eligibility does little to increase the overall dollar commitment, but a great deal to increase the public relations impact. The most common pattern of individual eligibility includes all employees and Directors.

In what form must a gift be made to be eligible for matching? Cash and securities with a quoted market value are the most common. For some companies, value of the securities is determined by the closing market price on the date of the gift, as indicated on the gift-matching form. Others use the average price for the day. Attention to such details as whether the donee sells the stocks, what the cost of the sale is, and the ultimate net value of the gift, will simply complicate the process and have little meaning.

Some programs will match gifts of real property (real estate) on the basis of an appraisal provided by the donor, in full or up to fifty percent of appraised value. Other programs have attempted to match the value of any gift accepted by the donee (up to the program maximum), but companies have sometimes found it difficult to accept the valuation of fine art, books, yachts, and even stud horses!

Most programs require that the gift be the individual's personal gift made directly to the donee, or to its qualified receiving agency (alumni fund, foundation, or association). Many will recognize only one receiving agency per institution in order to eliminate multiple checks. Alumni dues, class dues, and alumni publication subscriptions are not, of course, contributions. Some programs make provision for matching insurance premiums, providing that the donee is the irrevocable beneficiary. Other programs will not match insurance premiums if they are paid directly to the insuring agency. They may suggest that the donor request the donee to use the contribution to pay such a premium. Bequests are not commonly eligible for matching.

### Which colleges and universities should be eligible?

Institutional eligibility also varies. Of course, proprietary institutions are not eligible to receive tax-deductible gifts since they are profit-making business enterprises. With this exception, however, some companies consider eligible all college level institutions which appear in the *Education Directory, Higher Education*, published annually by the Office of Education, U.S. Department of Health Education and Welfare, and available from the U.S. Government Printing Office. Not all listed institutions are regionally or professionally accredited, but they meet the minimum accreditation standards of the state in which they are located and other criteria established for inclusion in the directory.

Some programs mandate accreditation by one of the six regional accreditation organizations, such as the New England Association, the Middle States Association, etc. This restricts the number of eligible institutions and has given rise to the complaint from some colleges that "because we are not accredited, you will not support us. And because you will not support us, we cannot achieve accreditation."

A few programs include the private institutions only and exclude the public institutions on the basis that taxes paid fulfill their obligation in that area. The public institutions, on the other hand, say that they are "assisted" not "supported" by tax monies. Any decision to exclude any category of institution should be carefully evaluated in terms of the objectives of the program, as well as the impact on donors and donees. Public institutions, for instance, are enrolling increasing numbers of students proportionate to overall college enrollment and the number of their graduates entering business and industry is likewise increasing.

### What about other institutions and organizations?

Secondary schools are eligible under some matching programs. The question to be answered is whether, under such circumstances, to include all public and independent schools, including those which are church-related. The term "independent school" refers to independence from tax support, and includes all non-public, private institutions. Certain programs seek to include the private, non-church related, schools and thus assume the onus of definition and clarification. Others simply exclude public schools.

It should be noted, and considered, that church-related institutions often campaign very successfully in communities where gift-matching programs are in effect, and, while their eligibility is not questioned, their success may strain an otherwise adequate budget. One safeguard against such an anticipated demand for matching is to establish an institutional maximum *per annum* which, of course, applies to all institutions.

Such maxima are not uncommon and provide broad protection to the matching donor. In special circumstances, the maximum may be temporarily raised for one or more institutions when, for example, a major fund drive is underway. Experience indicates that institutional maxima are seldom reached in the average gift-matching program. They remain a safeguard against the exception, not the rule.

The question of whether to include intermediaries and specialized fund-raising organizations is largely one for individual decision. Such inclusion often serves to stimulate support for worthwhile groups, the visibility of whose individual members may not be great. The United Negro College Fund is one such organization, and others include the Independent College Funds of America (state and national), the National Fund for Medical Education, and the American College of Life Underwriters.

### Why gift matching is productive

When the first gift-matching program was announced in the fall of 1954, and implemented in 1955, among those to comment publicly about this concept was the late Ernest T. Stewart, Jr., Executive Secretary of the American Alumni Council (an organization of college alumni officers), who made the following statement:

"Of all the many fine programs which corporations have adopted to provide financial support for higher education, no other one appeals to the American Alumni Council quite so much as the 'Corporate Alumnus' concept of matching employee gifts to colleges and universities.

"There are three major reasons why we consider this the most productive approach for business and industry. First, it assures the corporation that its gifts will go directly to those colleges and universities which have furnished it with its trained manpower. Second, it places the responsibility for the gifts on the colleges themselves and drives home the point that they must make a real effort with their own alumni before turning to outside sources for financial help. And third, it leaves the final decision on corporate support basically to the employees. If these direct beneficiaries of the colleges' educational programs believe in them and demonstrate that belief with their own support, then the corporation will pitch in and do its share to the same extent. So it is that we are delighted to learn of the growing number of companies which are adopting the 'Corporate Alumnus' concept in their programs of giving to higher education."

## III. The Mechanics of Gift Matching

Whether an employee gives to a college or university, and how much, is usually considered a very personal matter between the employee and the recipient of his gift. The fact that the employee has given, and how much, must, of course, be communicated to the matching organization. Most gift-matching administrators respect the privacy of this relationship and release no lists or statistics in any form which would breech it. The confidential nature of this information raises some question regarding the wisdom of having the employee make his gift through any office other than that responsible for administering the program. It has been speculated that one reason for relatively low participation in gift-matching programs is the employee's concern lest his gift be considered by his supervisor or employer too modest or inadequate for his income level.

For these reasons, most programs require the employee to send his gift directly to the institution and require the institution to certify its receipt on a form provided for this purpose. The company's funds may be sent periodically, quarterly for instance, and a single check, accompanied by a list of employee names and the amount of each gift matched which correlates the company and college records. Single checks are sometimes sent each time notification of a gift is received. It would seem most economical to match gifts periodically, a procedure which minimizes check-writing by the company, and transmits more meaningful cumulative gift-matching amounts to the recipient.

On the other hand, matching only at year-end may have a negative effect on donor and donee, although some matching companies do this, in order to be able to pro-rate gifts if the sum budgeted for the given fiscal year is exceeded. Another way to handle the situation is to match the excess at 100% in the next fiscal year, and adjust the budget accordingly. Still another approach is to consider a supplementary budget appropriation to cover eligible gifts if the original appropriation is exhausted. Most gift-matching programs with individual and institutional limitations are usually able, especially with some experience, to establish realistic annual budgets.

Payroll deduction for gift matching has been suggested, and implemented on occasion. Again, the convenience to the donor and the undoubted stimulus of payroll deduction must be considered on an individual corporate basis. This has been done in plant communities of large companies which did not allow payroll deduction across the board. In other words, it was a local option. Such a procedure has been very successful in raising large sums over a period of two or three years for local colleges engaged in capital campaigns. One suggestion is that the matching company provide the donee with a list of the names of the donor employees, and the amounts for each employee, and obtain one single receipt for the total amount rather than attempting to obtain perhaps several hundred individually processed gift-matching forms. This device may be helpful occasionally when groups of employees combine to establish a memorial gift or a scholarship fund at an institution.

Some companies are reluctant to permit payroll deduction on a company-wide basis owing to the large number of deductions already required for taxes, social security, retirement, savings programs, and others. However, exceptions on a local level may be permitted in special situations such as that just described.

### How to establish a budget

One of the great concerns when inaugurating a gift-matching program is its cost to the employer. This is not a matter of mere frugality, simply that businessmen are just not used to making open end commitments. If a company with 100,000 employees offers to match the gift of each employee up to $1,000 each, the potential is $100 million in matching. Actually, using the formula provided in the Appendix of the previously cited Council for Financial Aid to Education Research Report, *Survey Data on Employee Matching-Gift Programs,* without adjustments for special circumstances, (cost = .02 x no. of employees x $100) we arrive at an estimated cost of such a program of $200,000 in matching funds.

Thus, using the formula provided, and adjusting for special circumstances (number of college-degree holders, etc.), the proposed budget can be adjusted to the anticipated demands of the matching-gift program. Maximum amounts matched per individual employee range, to the Council's knowledge, from $50 to $8,000.

Some matching plans provide bonus matching for private institutions, but such provisions should probably be considered only after some experience is gained with a less complicated concept.

There should, of course, be a ceiling on matching (although several companies have none), but should there also be a floor? Some think so. They feel that a $5, $10, or even $25 floor will be an incentive to larger gifts and also that the expense of administering a program with no floor at all will be more than if a floor is imposed. There are no statistics to support the incentive aspect, nor to disprove it. However, a breakdown of a major gift-matching program by size of gift indicates that 3,400 of 7,800 gifts reported for matching were in the $20 and under range, and an additional 1,850 gifts fell in the $20.01 to $30 range. Only 20% of the dollars matched were contributed by the 5,250 donors, while 80% of the dollars matched were contributed by about one-third of the participants. It would seem as though there might be a choice between participation and size of average gift, depending upon the floor established.

Most gift-matching funds are unrestricted. However, their use for a specific

purpose is often requested of the donee by the employee donor whose gift is matched, and most institutions comply with such requests. A survey of 30 leading institutional beneficiaries of gift-matching programs about a year ago indicated that the institutions prefer that matching-gift money remain unrestricted by the matching donor. One institution reported that 16% of its unrestricted money from corporate sources, well over $200,000, came through gift-matching programs. Directed uses proposed by the matching company may not conform with the priority needs of the institution as determined by the administration, and unrestricted funds are those most sought by American higher education. Furthermore, employees whose gifts are matched often have their own priorities, and their ability to request specific uses for gift-matching funds in accordance with their original gift may provide additional incentive to participate in matching programs.

Institutions themselves sometimes direct the use of all such funds during fund-raising campaigns for special purposes – a building, faculty salaries, scholarships, additions to the library resources, etc. – but at least the element of self-determination remains with the institution and with the individual.

### How to keep records

No matter what the mechanics are for any particular gift-matching program, there must be a basic form indicating who made the gift, in what amount, and to whom. The matching company must keep a running record of gifts matched, individually and institutionally, and should record amounts reported for matching which exceed the individual matching limitation. Such records will help to keep the program within established bounds, provide an opportunity for annual evaluation, and cumulatively provide an historic perspective.

Experience suggests that a card form, which may or may not be adapted for computer use, is the most convenient to handle, durable, and easy to file. The sample provided in the Appendix has been developed over a long period of years. Name of employee and home address are requested. The social security number provides for further identification, and service date often establishes eligibility. Company work location establishes further identification and a means of communication, if necessary. The name and address of the recipient institution is necessary information. Many institutions have the same or similar names; location uniquely identifies each school. The amount and exact date of gift are important in relation to service date and also for establishing the value of any donated securities. The employee's signature certifies that the gift has been made, as reported, and also authorizes report of the gift by the donee to the matching agent. Designation of the form of the gift (cash, securities, real estate) provides additional essential information, while the signature of the appropriate official of the recipient institution certifies receipt of the gift described.

Form A, filled out by the employee at the time of the gift, is later returned to the employee as a receipt and a notification that his gift has been matched. This saves administrative time and work. Conditions of the program appear on the reverse of the form, providing handy reference and instructions.

This is but one type of form. Many variations are in use and each, no doubt, serves well (or at least satisfactorily). The Council for Financial Aid to Education has a broad selection of them.

As with any paper-work operation, there will be clerical errors committed by

the donor, if not the donee. A common error, for instance, is to insert the current date instead of the service date. There must be at least a modicum of checking of gift-matching forms to eliminate error. A check slip including the most common errors may be developed so that informing the employee donor of error and seeking the proper or omitted information can be simplified to a process of merely checking the appropriate box.

Administrative and operating expenses are difficult to estimate in advance. Printing costs are directly related to number of eligible employees, frequency and method of communication.

Most operating functions can be handled on a part-time basis in a corporate support component, or wherever the responsibility is assigned. Customarily, financial records are maintained in the accounting department, and checks against individual and institutional maxima maintained, periodic (quarterly) and annual reports compiled, and checks issued.

Matching checks are usually transmitted by the operating department, or corporate foundation officers, and are often sent or presented to the college presidents, in order to obtain maximum recognition for the program, and the matching support. A personal, or personalized, letter of transmittal may be used. However, a tasteful printed card form may also be utilized if desired.

### How to achieve maximum participation

In this area we refer to cooperation between the gift-matching company and the educational recipients of matching gifts to produce maximum participation by alumni constituents, and others.

The most controversial aspect of such cooperation is the question of whether the matching company should, if it is able, provide the colleges with lists of their alumni employed by the company, with, usually, the business address.

Opponents claim that this is an invasion of privacy. Proponents say that this is no more an invasion of privacy than listings in the telephone directory and that such lists help the colleges to establish and maintain accurate alumni records.

One major matching program which has provided such lists for many years reports that no employee has ever objected.

There is no question that the avaliability of such lists is helpful to the colleges, which can pinpoint their mailings to alumni eligible for gift matching and tailor their appeals accordingly. If the company is large enough, such lists provide a basis for the establishment of regional organizations patterned after the alumni fund organization and provide for employee solicitation of fellow employee alumni.

Some companies not only provide gift-matching forms to employees regularly, but also provide them to colleges for inclusion in regular mailings.

Those who favor such cooperation point out that such a team effort helps to further the objectives of the gift-matching program and results in accomplishing what both the matching company and the institution desire – more voluntary individual support for education.

The primary responsibility for any successful gift-matching program rests with the college-donee. There is wide variation in how this responsibility is met. The latest average percentage of alumni participation in annual giving, as determined by the Council for Financial Aid to Education, is 17.1%, which reflects rather low overall effectiveness, and helps explain why only 2% of employees make matching gifts.

Companies, of course, should publicize their gift-matching programs through employee publications at every level (management and blue-collar) and in every geographic area. Posters with an appropriate message are available from the Council and can be put on bulletin boards and in other places where employees congregate. Such posters, and internal news releases, should clearly explain where gift-matching forms can be obtained by employees. New employees should be informed of the program. There is no question that continuing promotion of the program is desirable and a definite factor in encouraging participation.

If the size of the program warrants, an annual report can be prepared and distributed among employees and also to colleges and universities, plus others interested. Such a report might include overall statistics on the program, the details of it, and a listing cumulatively of those institutions which have benefited through the program. Such feedback will encourage employee participants and matching-gifts recipients alike.

Corporations or corporate foundations interested in establishing a gift-matching program or in reviewing an existing program are invited to consult with the Council for Financial Aid to Education. There is no charge for this service.

## IV. Questions and Answers about Gift Matching

**1.**

Q *How many companies have adopted matching-gift programs?*
A More than 500.

**2.**

Q *Is there available a list of companies which have adopted matching-gift programs.*

A Yes. The American Alumni Council (Suite 530, One Dupont Circle, Washington, D.C. 20036) publishes annually a list of gift-matching companies.

**3.**

Q *Does this list contain any information concerning the actual provisions for such programs?*

A In addition to the list of gift-matching companies, the AAC issues periodically a more complete compendium which includes key provisions and the name and address of the corporate administrator of each individual program.

**4.**

Q *Are more detailed provisions of these programs available?*

A Yes. CFAE has copies of a substantial number of currently existing matching-gift programs in its library. Also the CFAE casebook contains a large list of companies having such programs with a brief summary of their contents. The CFAE *Handbook* contains some information on the subject. Major companies are usually willing to furnish a copy of their matching-gift programs and forms to other companies which are considering the establishment of such a program.

**5.**

Q *What limits are ordinarily set on the dollar amount of individual gifts which will be matched?*

A While the amounts vary under various plans from a minimum of $10 to a high of $8,000, common provisions are a low of $10-$25 and a high of $500-$1,000.

**6.**

Q *Do companies often set a limit on the total amount they will match in a given year?*

A Yes. Particularly in the early years of a plan, before experience has demonstrated the actual annual costs.

**7.**

Q *Do companies often match otherwise than on a dollar-for-dollar basis?*

A Yes, there are some variations. For instance, the Ford Motor Company plan matches up to $5,000 per employee annually, but matches 2 for 1 up to an additional $1,000, gifts to private colleges and universities. It matches gifts to secondary schools at fifty cents for each dollar contributed. Also, the Lubrizol Corporation will match gifts to private institutions on a 2-for-1 basis up to a maximum of $250 although it will also match an additional $250 per employee on a 1-for-1 basis.

**8.**

Q *Do most matching-gift programs impose conditions as to the institutions to which gifts will be matched?*

A Most plans have some limitations such as requiring that gifts to be matched must be to regionally accredited four-year colleges. Some limit matching of gifts to privately-supported colleges, some include two-year colleges; some include private preparatory schools, etc. Some will match gifts to any non-proprietary institution of higher education listed in the *Education Directory, Higher Education,* published annually by the Office of Education, U.S. Department of Health, Education, and Welfare.

**9.**

Q *Do most plans provide for matching the gift of any and all employees, regardless of status and regardless of whether the employee is a college alumnus?*

A Yes. Some plans include Directors, and a few even include spouses and retirees, but some do limit matching to certain classes of employees, such as professional employees, executives, etc.

**10.**

Q *Is it possible to estimate the cost of installing a matching-gift program with any degree of accuracy?*

A Yes. While there are variations depending on the education level of the employees, the proportion of professional and blue-collar workers, the effort expended by management in publicity and promoting the program, etc. the *average* first year costs of all 500 programs thus far instituted has approximated a dollar amount resulting from the following formula:

$$\text{Number of eligible employees} \times 2\% \times 100$$

If the program is energetically promoted, the cost will increase in proportion to the rise in the participation rate and the size of the average gift matched.

**11.**

Q *Are there usually geographical restrictions on the location of institutions eligible to receive matching gifts.*

A Yes. Most programs limit institutional eligibility geographically to the United States and its possessions. However, some U.S. programs match gifts to Canadian and other foreign institutions directly or through U.S. based receiving agencies. Advice of Tax Counsel is suggested regarding foreign gift matching, especially for corporate foundations.

**12.**

Q *Are there geographic restrictions on employee eligibility?*

A Often. Most programs limit eligibilty to domestic (U.S.) employees. Some include employees in other countries providing gifts are made to institutions in the United States. Some affiliates have their own programs; Canadian General Electric Company, for instance.

**13.**

Q *Must matching checks always be to the order of the institution?*

A No. As a matter of fact, some institutions welcome the opportunity to designate an alumni fund, a foundation, or other appropriate receiving agency to receive matching gifts (but apply the funds exclusively to the benefit of the affiliate institution). This is especially true of publicly-supported institutions.

**14.**

Q *Should insurance premiums on policies of which an institution is the beneficiary be matched?*

A It is common practice to match insurance premiums if the institution is the irrevocable beneficiary and if the policy is not a term policy.

Some programs suggest that the amount of the premium be contributed to the institution with the request that it be applied toward the insurance policy, thus adhering to the policy that only "gifts" made directly to the institution are eligible for matching.

**15.**

Q *Are gifts to proprietary institutions usually matched?*

A Not usually, since such institutions are really classified as businesses and contributions to them are not tax deductible. Such institutions are identified in the *Education Directory, Higher Education.*

**16.**

Q *Should matching gifts be restricted as to use?*

A Probably not. Unrestricted funds are especially welcome and discretionary use of them permits the institution to establish its own priorities. Many institutions, however, will honor the employee donor's request that the unrestricted matching funds be applied to the same special purpose as his gift, i.e. libraries, scholarships, faculty salaries, etc.

**17.**

Q *If a company matches the gifts of its employees to educational institutions, is it completely fulfilling its obligations to education?*

A Probably not. Gift matching is often only the first step in establishing a comprehensive program in support of education.

The Council for Financial Aid to Education publishes a *Casebook* which includes 181 different corporate support programs and illustrates their diversity. The *Handbook* includes additional examples, as well as other valuable information. The publication *How Corporations Can Aid Colleges and Universities* describes in detail each of the many individual forms (scholarships, fellowships, equipment grants etc.) which corporate support may take.

In addition, staff members of the Council for Financial Aid to Education are available for individual consultation on and review of corporate educational support programs. There is no charge for this service.

# V. Appendix

## Exhibit A

A typical gift-matching form, including details of the program, provision (Form A) for informing the employee when his gift has been matched (and providing a re-

Exhibit A

Double your contribution through participation in the

GENERAL ELECTRIC FOUNDATION

Corporate Alumnus Program

GENERAL ELECTRIC FOUNDATION • CORPORATE ALUMNUS PROGRAM

**INSTRUCTIONS**

The Corporate Alumnus Program was established by action of the Trustees of the General Electric Foundation on November 15, 1954 to encourage General Electric Company employees to join with the Foundation in the financial support of the primary needs and objectives of institutions of higher education.

The program provides that the Foundation will make contributions to eligible schools or to properly certified associated organizations in amounts equal to contributions made thereto by eligible General Electric employees or directors up to a total of $3,000 per person and $25,000 per institution per calendar year. A minimum individual contribution of $15 to any institution must be made to qualify for the matching gift.

**Persons Eligible**

a. Regular Employees
   1. Employed by General Electric Company or a majority-owned subsidiary with continuity of service effective on the date of the gift; and
   2. *With one full year of continuous service.*

b. Directors of General Electric Company

**Persons *Not* Eligible**

*Retired employees* of General Electric Company or retired employees of subsidiaries;

*Spouses* of eligible employees or directors.

**Institutions Eligible**

a. Graduate and professional schools, four-year colleges, two-year junior and community colleges and technical institutes which:
   1. Are *located within the United States* or one of its possessions; and
   2. Are non-profit, non-proprietary; and
   3. Offer at least a two-year program of *college level studies;* and
   4. Are accredited or approved by a nationally recognized accrediting agency, a State department of education, a State University, or operated under public control.

*(Continued on Page 3)*



FORM A—EMPLOYEE: Please print date of gift, amount, recipient and your name and complete home address below. When your gift has been matched this will be sent to you as a receipt.

Date of Gift_____ Amount $_____ Recipient_____

It is a pleasure to inform you that a check has been mailed to your school matching the total of individual gifts reported during the last quarter. Your gift was one of those matched by this check.

The Trustees of the General Electric Foundation are pleased to participate with you in supporting higher education through the Corporate Alumnus Program.

DO NOT DETACH

Secretary
GENERAL ELECTRIC FOUNDATION
1285 Boston Avenue
Bridgeport, Connecticut 06602

| | |
|---|---|
| NAME | |
| NO. & STREET | |
| CITY & STATE | |

ceipt as well), and also the form returned by the donee certifying receipt of a gift. This is a one-piece, two-fold horizontal form, attached end-to-end, and printed on both sides.

**Form B: (To be filled in by employee – then sent to School with the gift). Do not detach Form A. (See mailing instructions, page 8)**

**1. EMPLOYEE DATA**

a. Name .....
b. Home Address .....
.....
c. Soc. Sec. No. .....
d. GE Continuous Service Date
month..... day..... year.....
e. Department .....
f. Dept. Location .....

**2. SCHOOL (OR SCHOOL ASSOCIATION) RECEIVING GIFT**

a. Name .....
b. Location .....

**3. GIFT DATA**

a. Amount $.....(Minimum for matching – $15.00)
b. Exact Date of Gift – month.....day.....year.....
c. Form of Gift – Cash ☐ Real Estate ☐
Securities ☐ .....shares of.....
(see instructions)
d. I prefer that my gift and matching contribution be applied to
Unrestricted ☐ Student Aid ☐ Faculty Assistance ☐
Endowment ☐ Building Fund ☐
Other ☐ .....

DO NOT DETACH

The employer's signature below authorizes recipient to report this gift to the General Electric Foundation to apply for a matching contribution under the Corporate Alumnus Program and affirms that the gift listed above has been made in the amount and in the form indicated. The signature of recipient confirms receipt of the above listed gift.

| Employee's Signature | Financial Officer of School, or Officer of Certified Receiving Agency Authorized to sign these forms | Title | Date |
|---|---|---|---|
| ..... | ..... | ..... | ..... |

*This is a negotiable instrument. It must be accurate and complete.*

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*(Continued from Page 2)*

5. *Institutions not meeting the requirements* in (4.) above, *may be included* if their credits are accepted as if coming from an accredited institution, by not fewer than three fully accredited institutions.

b. Alumni funds, foundations or associations which must be:

1. Certified to the satisfaction of the Foundation by the chief administrative officer of the school (usually the president) with which they are connected (on forms which are available on request) to be either an integral part of said institution or one which will transmit all contributions directly to such institution or will use all contributions for its benefit; and
2. Recognized by the Internal Revenue Service as organizations contributions to which are deductible for Federal Income Tax purposes; and
3. Certified by the chief administrative officer (usually the president) of the institution to be the sole receiving agent for that institution until countermanding instructions are received.

**Contributions**

a. Gifts must be personal contributions made, not merely pledged, **in cash, securities, or real estate.**

Value of securities will be determined by the Foundation as of the last sale or published bid price if available, on or before the date of the gift indicated on Form B. Otherwise, it shall be the responsibility of donor and/or donee to furnish an independent appraisal of the value of securities or real estate contributions satisfactory to the Foundation when Form B is submitted.

b. The Foundation will match such contributions of eligible persons up to a total of $3,000 per person per calendar year, except that matching of real estate gifts will not exceed fifty percent of appraised value. In addition, if total contributions exceed the maximum amount appropriated by the Foundation Trustees for the Program in any period, the contributions to be made by the Foundation may be apportioned by the Trustees in such manner as they consider equitable.

There is also a maximum limitation of $25,000 per annum per institution in matching funds for contributions otherwise eligible for matching.

A minimum individual contribution of $15 to any institution must be made to qualify for the matching gift.

c. A gift from a personal trust, established by an employee alone, to a school or a properly certified alumni fund, foundation or association which otherwise meets the conditions of this Program shall qualify for the purposes of the Program subject to acceptance by the Trustees.

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d. *Gifts ineligible* for matching include: bequests, dues payable to national or local alumni groups, subscription fees for publications, insurance premiums or other such payments not made directly to eligible institutions even though such payments produce ultimate financial benefit for the institution.

**Administrative Conditions**

The Foundation may suspend, revoke or terminate this Program at any time with respect to contributions thereafter made.

The interpretation, application and administration of the provisions of the Program shall be determined by the Foundation and its decisions shall be final.

**HOW THE PROGRAM OPERATES**

1. The employee or director should fill in Forms A and B and transmit this whole folder with his or her gift to the school or associated organization concerned.
2. *A responsible financial officer* of the school *or a responsible officer* of an associated organization *properly* certified by the General Electric Foundation should review Form B. *If necessary, the Form should be returned to the donor* for completion or correction. Otherwise Form B should be filled in and Forms A and B should be forwarded immediately to the General Electric Foundation, Corporate Alumnus Program, P.O. Box 440, Schenectady, N.Y. 12345.
3. The Foundation will check the Forms and upon determining eligibility, will authorize the payment of matching contributions by the Foundation in accordance with the provisions of the Program. Checks will be made payable to the school or the properly certified associated organization as the case may be. All checks will be mailed to the school presidents at intervals of approximately three months.
4. The Foundation will notify the donor when the matching contribution has been forwarded to the recipient organization.

Requests for information, additional copies of this folder and all correspondence relating to the Corporate Alumnus Program should be addressed to: General Electric Foundation, 1285 Boston Ave., Bridgeport, Conn. 06602.

INSTITUTION — send completed forms to this address ——►

GENERAL ELECTRIC FOUNDATION
Corporate Alumnus Program
P.O. Box 440
Schenectady, N.Y. 12345

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## Exhibit B

These forms expedite administration of a gift-matching program. Exhibit B is self-explanatory. Exhibits C and D are used for communication with donor or donee when gift-matching form is incomplete.

Exhibit B

**CORPORATE ALUMNUS PROGRAM**
**General Electric Foundation**

This form is for the use of those educational institutions which wish to designate an alumni fund, foundation or association as the sole recipient of matching gifts from the General Electric Foundation under the Corporate Alumnus Program. Please complete in triplicate.

.....
EDUCATIONAL INSTITUTION CITY AND STATE DATE

.....
ALUMNI FUND, FOUNDATION OR ASSOCIATION (FULL LEGAL NAME)

The above named Alumni Fund, Foundation or Association is (check one):

A. An integral part of the educational institution..... B Independently incorporated..... .....

C. Other (Please specify).....

I hereby certify that the above named Alumni Fund, Foundation or Association has been recognized by the Internal Revenue Service of the United States Treasury Department as an organization contributions to which are deductible by the donors for Federal income tax purposes.

NOTE: This form should be signed by the chief administrative officer of the institution. Please return two (2) completed forms to General Electric Foundation, 1285 Boston Ave., Bridgeport, Conn. 06602. Please retain one of these forms for your records.

PRB-21C
3/71 (IM)

.....
SIGNATURE—CHIEF ADMINISTRATIVE OFFICER

.....
PRINT FULL NAME

.....
TITLE

GENERAL ELECTRIC FOUNDATION
Corporate Alumnus Program
P.O. BOX 440, SCHENECTADY, N.Y. 12301

We return herewith your gift matching form under the Corporate Alumnus Program. The information indicated below is incomplete or lacking. Please complete this form and return it to the above address.

- ☐ Your Signature
- ☐ Your Continuous Service Date
- ☐ Your Department
- ☐ Your Department Location
- ☐ Your Exact Date of Gift
- ☐ Other:

RICHARD E. KRAMER, Jr.
Educational Support Programs

Exhibit C

GENERAL ELECTRIC FOUNDATION
Corporate Alumnus Program
P.O. BOX 440, SCHENECTADY, N.Y. 12301

We return herewith your gift matching form under the Corporate Alumnus Program. The information indicated below is incomplete or lacking. Please complete this form and return it to the above address.

- ☐ Your Signature
- ☐ Your Continuous Service Date
- ☐ Your Department
- ☐ Your Department Location
- ☐ Your Exact Date of Gift
- ☐ Other:

RICHARD E. KRAMER, Jr.
Educational Support Programs

Exhibit D

## Exhibit E

The information below originally appeared in the Council for Financial Aid to Education Research Report, *Survey Data on Employee Matching Gift Programs,* published in February 1972. Copies are available on request.

### A Rule of Thumb for Estimating the Initial Cost of a New Matching Plan

The CFAE is often asked to assist companies in setting up an employee matching gift program. In particular, the companies which are contemplating a new plan most frequently ask, "How much will it cost?" While this question can never be answered with precision, the experience of those companies which already have matching plans in operation has enabled the CFAE to provide some useful guidance in this area.

As a point of departure, the following formula has been found to be highly satisfactory:

$$C = .02 \times E \times \$100$$

where C is the estimated cost of the plan, i.e. the expected total amount of company matching contributions, and E is the number of persons eligible to participate in the plan.

The .02 indicated is an average expectation of the rate of participation, and it should be adjusted upward or downward to allow for factors peculiar to the individual company. For example, this rate should be increased for companies with fewer than 10,000 eligibles; below 5,000 eligibles the appropriate figure should be about .03. The rate should be increased for companies in which more than 15% of the eligible participants are college *graduates.* And the rate should be increased if the company intends to promote the plan in a vigorous manner. These are but a few of the factors which should be taken into consideration.

The $100 indicated is an approximation to the expected size of the average gift matched, and it also should be adjusted upward or downward to allow for the special circumstances of the individual company. This figure should be increased somewhat in cases where the expected *number* of individual contributions is less than 100 and decreased where this number is greater than 500. It should be increased where the maximum amount matched under the plan exceeds $1,000 and decreased where the maximum amount is less than $500. If a disproportionate number of college graduates on the payroll are alumni of only a few institutions, then this number should be adjusted to take account of the fund-raising situation at those schools. Again, these factors are only suggestive of the kinds of things which bear on the size of the average gift matched.

Clearly, each company is unique, and the predictability of the cost of its employee matching-gift program will become progressively easier with the passage of time and the accumulation of experience. However, the foregoing formula and the related comments can be a rough guide to initial expectations.

## References

Other publications (available in the CFAE library) which may be of interest in regard to employee matching gift programs include the following:

American Alumni Council, Suite 530, One Dupont Circle, Washington, D.C. 20036
"Two Can Give as Easily as One." (Leaflet number ten)
"Matching-Gift Details," with Supplement
"The Case for Matching Gifts"

Patrick, Kenneth G., vice president CFAE (ret.)
"The Genesis of Matching-Plan Programs," speech delivered at a conference on matching gift programs, May 17, 1960.

Watson, John H., III, The Conference Board, 845 Third Avenue
New York, N.Y. 10022
"The Match – A Challenge to Corporate Giving," *The Conference Board Record*, Vol. VI, No. 4 (April 1969), pp. 48-52.
"Employee Gift-Matching Programs," *The Conference Board Record*, Vol. VI, No. 6 (June 1969), pp. 21-25.

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